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ABSTRACT

To describe rural poverty in Wisconsin in a manner useful to educators, policymakers, clergy, and businesspersons, census statistics, primarily from 1980, were used to look separately at rural nonfarm, farm, and urban families and persons. Other census data provided comparability. As measured in 1980, 6% of urban and rural nonfarm families had incomes at or below the poverty level, compared with 12% of farm families. The percentage of Wisconsin's poor farm families was higher than both the United States' and Wisconsin's average for all families--fluctuating around 15%. Even in counties with a low percentage of poverty, the number of poor families was large. Poverty ratios by age and residence varied, with little pattern among areas (farm, rural, and urban). Family structure affected the incidence of poverty in all geographical areas. Ninety percent of farm householders at or near the poverty level worked, compared with 60% of rural and urban families. Social Security benefits raised the percentages of farm, rural nonfarm, and urban unrelated individuals and householders above the poverty level. A higher percentage of rural and urban poor received public assistance than farm poor. Definitions, graphs, maps, and statistical data are included. (JMM)

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University of Wisconsin-Madison

College of Agricultural & Life Sciences
Research Report

Rural Poverty in Wisconsin Counties

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William E. Saupe and John W. Belknap

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RURAL POVERTY IN WISCONSIN COUNTIES

William E. Saupe and John W. Belknap

Of the approximately 400,000 Wisconsin persons who lived in poverty at the time of the most recent census in 1980, 150,000 lived on farms and in rural areas. Nearly 14 percent of farm persons were in poverty at that time compared with about 8 percent of rural nonfarm and urban persons.

Statewide data are not available to document the changes since then, but national data show that the incidence of poverty among farm persons increased 4.6 percentage points from 1980 to 1982 (from 17.5 percent to 22.1 percent). Poverty among nonfarm persons increased about one percentage point per year. Since 1982, the farm income and financial situation has worsened. Rural communities were adversely affected by the unusually high unemployment from 1981 to 1984. While current poverty data specific for Wisconsin cannot be provided, it is clear that rural poverty in Wisconsin counties continues to be a significant problem.

Poverty in our nation is an undesirable condition that can be changed. In working toward that goal it is useful to look at various subgroups of the poverty population, breaking it down by characteristics that are associated with a) the causes of poverty, or b) different responses to poverty programs and policies. Examining the former may help us explain why poverty exists, and thus provide insight into how it might best be prevented or cured. The latter may lead toward more effective alleviation of poverty's symptoms and the distress it causes.

Poverty is a national issue, so much of the public response is through Federal programs and policies. But state and local units of government are also concerned and respond to poverty problems. In this report we focus on the circumstances in rural Wisconsin and in Wisconsin counties.

We search for insights into Wisconsin poverty by looking separately at rural nonfarm, farm, and urban families and persons. In Wisconsin, rural areas have a higher incidence of poor families than urban areas. We also look for differences associated with age or sex of the householder, with being elderly, with receipt of Social Security or public welfare benefits, and with labor force participation.

This report on poverty in rural Wisconsin contains five sections. Section I describes the significance of this report, especially for some types of potential users. Section II contains a description of the secondary data sources used and some key definitions. Section III is focused on rural poverty in terms of number of persons and families, location in the State, and changes over time. Section IV contains poverty levels by age, employment status, receipt of Social Security and/or public assistance and by joint frequencies of combinations of characteristics. A summary and the references are reported in Section V.

I. INTRODUCTION

A. Significance of Rural Wisconsin Poverty

* The rural poor tend to be widely dispersed geographically among all rural residents. They lack the visibility and the public awareness that is created by an urban area of concentrated poverty. Thus the rural poor are often overlooked by their more affluent neighbors.

* Mean and median income levels of rural households are lower than those of urban households. In addition, the mean income deficit -- the added income needed to raise a poor family to just about the poverty level -- is larger for rural poor families than for urban families (about $4,000 for a farm family in poverty, about $3,000 for a rural family in poverty, and about $2,650 for an urban family).

*Many of the rural poor are self-employed, particularly as farm operators, but in small businesses in the rural communities as well. As self-employed persons they are not eligible for some major Federal unemployment and welfare programs, regardless of income level.

*Per unit welfare program costs tend to be higher in rural areas than in urban, because of the dispersed clientele, thus providing less relief per program dollar.

*Many rural residents are employed in high health-risk occupations (e.g., farming, forestry). These people also often have lower health status, fewer medical services and less health insurance coverage than do urban residents. These are particularly difficult circumstances for the economically disadvantaged.

*Community attitudes toward provision of support to the poor and recipient attitudes about receiving welfare may both contribute to relatively low use of existing social welfare programs in rural areas.

*Public costs and payments to farm operators from Federal farm commodity programs are highly visible, but are not designed to raise the income of low income farmers. Benefits are generally distributed in direct proportion to the size of farm and only to producers of the commodity of interest, not to the low income farm population.

B. Users of This Report

Many citizens are unwilling to enjoy individual affluence while their rural neighbors wrestle with serious economic hardships. The following groups may be particularly interested in Wisconsin's rural poor:

* Extension educators for whom low income rural families constitute a clientele who could greatly benefit from assistance, but who require specialized teaching methods and instruction.

* Local governments, public service and welfare agencies who must overcome the problems of identifying low income families and reducing the relatively high per unit cost associated with a widely-dispersed audience that has not historically used their services.

* Legislators and state and Federal program managers who must identify and respond to a serious need from a constituency that is large, but neither well-organized nor vocal.

* Rural clergy and churches who may find that the poor are with us always, not just in far away missions, but also in their own parishes or communities.

* Persons in business and others interested in community development, who would gain from increased local income and spending.

* Agricultural lenders, who must understand the expenditure and debt servicing problems of low income farmers in order to responsibly evaluate credit requests.

II. SOURCES AND CONCEPTS

A. Data Sources and Comparability

The primary objective of this study was to describe rural poverty in Wisconsin in a manner useful to the large number of persons concerned about this continuing issue. Earlier reports were based on 1964 Census of Agriculture data (1), 1970 Census of Population data (2), and data from Bureau of the Census surveys, Current Population Surveys (CPS), and a 1976 national Survey of Income and Education (SIE)(3).

The 1980 Census of Population is the primary data source for the revised material and new descriptions of rural poverty contained in this report. The data were available from published reports and through tape files acquired by the Applied Population Laboratory, University of Wisconsin-Madison and University of Wisconsin-Extension(4).

The comparability among the many data sources was adequate, especially for the Census, CPS and SIE. A report released in January 1978 dealt particularly with the accuracy and comparability of the SIE in relation to both the CPS and the 1970 Census (5). It indicated a strong agreement on estimates between the CPS and SIE, and furthermore, that the SIE and Census were essentially comparable in their measurement of the distribution of poverty among states.

The information from the 1964 Census of Agriculture used in preparing the analysis of poverty-income farm persons in Wisconsin consisted of averages by size of farm classes. While not derived from a sampling of persons on farms, the averages are comparable with information taken from the other three sources.

The 1970 Census of Population data were obtained by the Bureau of the Census through 5 and 15 percent samples of the population. A questionnaire was delivered by mail before Census Day, April 11, 1970, and then returned by the same means. The urban population consisted of all persons living in urbanized areas and in places of 2,500 inhabitants or more. The population not so classified constituted the rural population.

The farm population in 1970 was defined as rural residents living on (a) ten or more acres with $50 or more in sales of farm products, or (b) acreage less than ten acres but farm product sales over $250. In 1980 the

definition of farm was changed to include places of at least one acre selling at least $1000 in farm products annually.[1]

The Current Population Survey (CPS) is a monthly inquiry dealing mainly with labor force data. Each March, however, supplementary questions are asked concerning cash income and work experience for the previous year. Approximately 47,000 households were in the sample. A larger survey, the SIE, was mandated in order to estimate for each state the number of children in poverty families, the distribution of income and other related statistics. The methodology of the CPS provided the essential framework for the SIE. In all, the final SIE sample consisted of roughly four times that used for the CPS. The residence categories of farm-nonfarm, metropolitan-nonmetropolitan and central city residence which are fundamental to this analysis were identically defined in both the CPS and SIE.

B. Definition of Poverty

Lay persons and scientists have provided many definitions for the elusive concept of poverty. Defining poverty as a measurable level of need is sound but difficult to implement. Family income level has become the most widely used benchmark by the government for classifying people as poverty-stricken or not. Poverty thresholds based on income have added a quantifiable dimension for determining the number of poor in our society. In this report we used these Federally-established guidelines of family need for determining poverty levels.

The Federal formula has changed over the years but since 1964 has been based on the cost of a "nutritionally adequate" diet and the assumption that food costs were one-third of total family living costs (6). Subsequent published reports concerning poverty used this formula adjusted annually to reflect changes in the consumer price index, a broad-based measure of changes in the cost of living.

The poverty income thresholds for 1979 in Table 1 are computed by the U.S. Bureau of Census. The standards are weighted for family size and age of the head of the household. For example, a family of four must receive income of less than $7412 per year in order to be classified as below the poverty level in 1979.

The level of living provided under the poverty definition allows only 56 cents per person per meal ($1.68 per person per day for three meals) plus $3.36 per person per day for clothing, health, auto expense, recreation, education and all other components of family living expenses. Viewed from this perspective it becomes clear that the thresholds, although they may seem arbitrary, represent a very disadvantaged economic situation for the family. Therefore, this study has adopted the imperfect but useful Federal guidelines to measure the number of economically disadvantaged persons in rural Wisconsin.

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1 The change in definition dropped all "farms" with less than $1000 in gross sales and all "farms" of less than one acre. These were likely part-time farmers with nonfarm income. The effect of the change in definition on the incidence of farm poverty is not known.

Table 1: Federal Poverty Threshold Income by Family Size and Age of Head, 1979

Family Size	Age of Head	Poverty Threshold
1	under 65	$ 3,774
1	65 or older	3,479
2	under 65	4,876
2	65 or older	4,389
3	all ages	5,787
4	all ages	7,412
5	all ages	8,776
6	all ages	9,915
7	all ages	11,237
8	all ages	12,484
9 or more persons	all ages	14,812

Source: U.S. Bureau of the Census (7).

C. Comparing Poverty With Average Income

If we accept the concept that there is some minimum level of family income necessary to provide for the basic needs of the family, the next question is whether or not the budgeted levels presented in Table 1 are appropriate. Using them, who would be considered poor in Wisconsin? Are the budgeted levels so high that rural Wisconsin families that are reasonably well off will be erroneously classified as being in poverty? Or, are they so low that it is not reasonable to expect a rural Wisconsin family to be able to live on income below or near the poverty level?

The idea of "being poor" implies being poor compared with someone else. The calculated poverty thresholds presented in Table 1 can be compared with the average income actually received by Wisconsin families as a subjective test of the reasonableness of this concept of poverty. Figure 1 shows the poverty threshold income and two measures of central tendency or "average" income (the mean and median income received by Wisconsin families in 1979).

Urban families are not a part of this study and are included in Figure 1 only for reference. For the urban families, those families living in places of more than 2,500 population, the mean family size was 3.23 persons in 1979. The calculated poverty level income for that family size can be estimated from Table 1 to be about $6,161. This compares with the mean income received by urban families of $24,389. In other words, the average income of Wisconsin urban families surpassed the budgeted poverty line by more than $18,000. Median income, the income at which half the families were above and half below was $21,801.

All rural families received $21,871 mean income and $19,350 median income in 1979, compared with a budgeted poverty line of $6,372 for their average family size. Farm families had more family members on the average, but had $23,479 mean income compared with a budgeted poverty level income of $7,103. The median income for farm families was $19,242 (see Figure 1).

In 1979, the average Wisconsin family had income more than three times as high as the budgeted poverty line. Most persons acknowledge that a family with income near or below the poverty line would indeed lack economic well-being when compared to the average.

III. NUMBERS, TRENDS, AND DISPERSION OF THE RURAL POOR

A. The Number of Rural Poor in Wisconsin

The Bureau of the Census prepared three estimates of the number of poor persons in Wisconsin as a part of the 1980 Census of Population. From that data estimates were made based on income below 75 percent of the Federal poverty level, below the poverty level (i.e., below 100 percent of the poverty level), and below 125 percent of the poverty level. Thus, if the Federal poverty thresholds presented in Table 1 seem too high or too low to properly reflect poverty in Wisconsin, estimates of the number of persons in poverty under two alternative measures are available.

The estimates from the Census data in Table 2 present the numbers of urban/rural/farm families and persons. Rural Wisconsin residents includes persons in places of 2,500 population or less, the open country side, and on

Figure 1: Family Income and Poverty Threshold Income, Wisconsin--1979

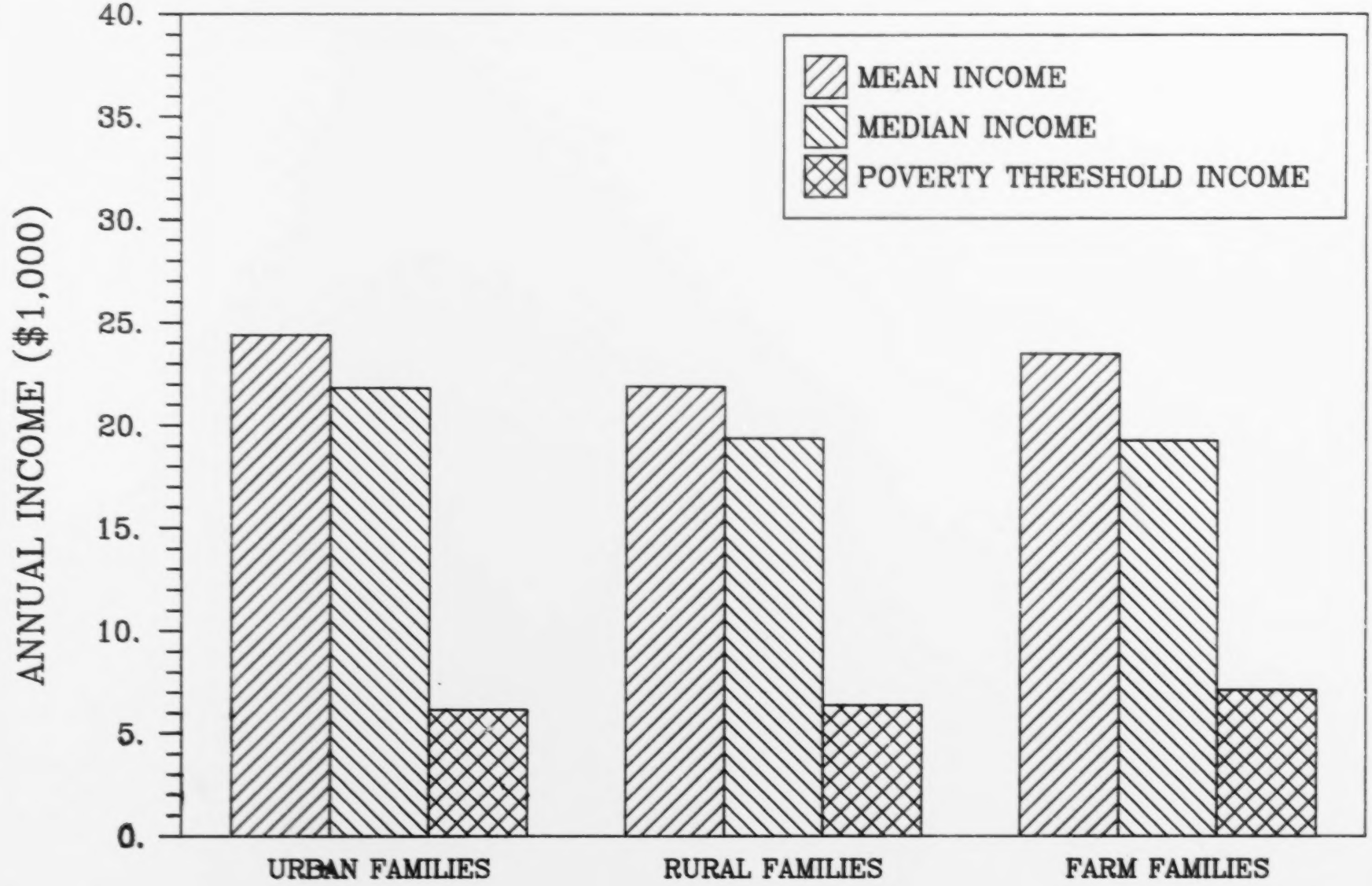


Table 2: Families and Persons by Three Levels of Poverty, Wisconsin--1979

	Farm		Rural Nonfarm		Urban	
	(Number)	(%)	(Number)	(%)	(Number)	(%)
Families						
All families	71,653	--	375,758	--	767,612	--
Income less than 75% of poverty threshold	5,835	8.1	13,474	3.6	25,332	3.3
Income less than 100% of poverty threshold	8,401	11.7	23,586	6.3	45,153	5.9
Income less than 125% of poverty threshold	11,508	16.1	37,649	10.0	64,073	8.3
Persons						
All persons	282,307	--	1,380,450	--	2,919,248	--
Income less than 75% of poverty threshold	27,101	9.6	66,013	4.8	151,801	5.2
Income less than 100% of poverty threshold	39,277	13.9	110,440	8.0	248,096	8.5
Income less than 125% of poverty threshold	53,408	18.9	173,201	12.5	354,808	12.2

Source: U.S. Bureau of the Census. (7)

farms. All rural persons are subdivided into farm and rural nonfarm in Table 2. The farm population consists of persons living on rural places who have at least $1,000 in sales of agricultural products in a normal year, and rural nonfarm includes all other rural persons.

In the Census data a family consists of a householder living with one or more related persons. The usual family is a husband-wife combination with or without children. The related persons in the family may also include a second couple, such as a married son living with his parents, or may include other relatives such as parents, grandparents or in-laws. By the census definition there were 71,653 farm families plus 375,758 rural nonfarm families in Wisconsin in 1979. About 12 percent of the farm families and six percent of rural nonfarm families had income less than the poverty level that year.

The terms persons includes everyone living in families as well as unrelated individuals; it excludes only those persons residing in institutions. There were over 1.66 million persons living in rural Wisconsin in the last census. There were estimated to be 39,277 persons living on farms whose income was below the poverty level plus 110,440 nonfarm rural poor. This was 13.9 percent of all farm persons and eight percent of all rural nonfarm persons. At the same time, 8.5 percent of all urban persons in Wisconsin were in poverty. Of the approximately 400,000 Wisconsin persons in poverty, about 150,000 lived in rural areas and 250,000 lived in places with 2,500 population or more.

If a more inclusive definition of poverty is used that counts all persons whose income was 125 percent of the poverty level or less, some 226,000 persons in rural Wisconsin were poor in 1979.

B. Changes in Poverty Over Time

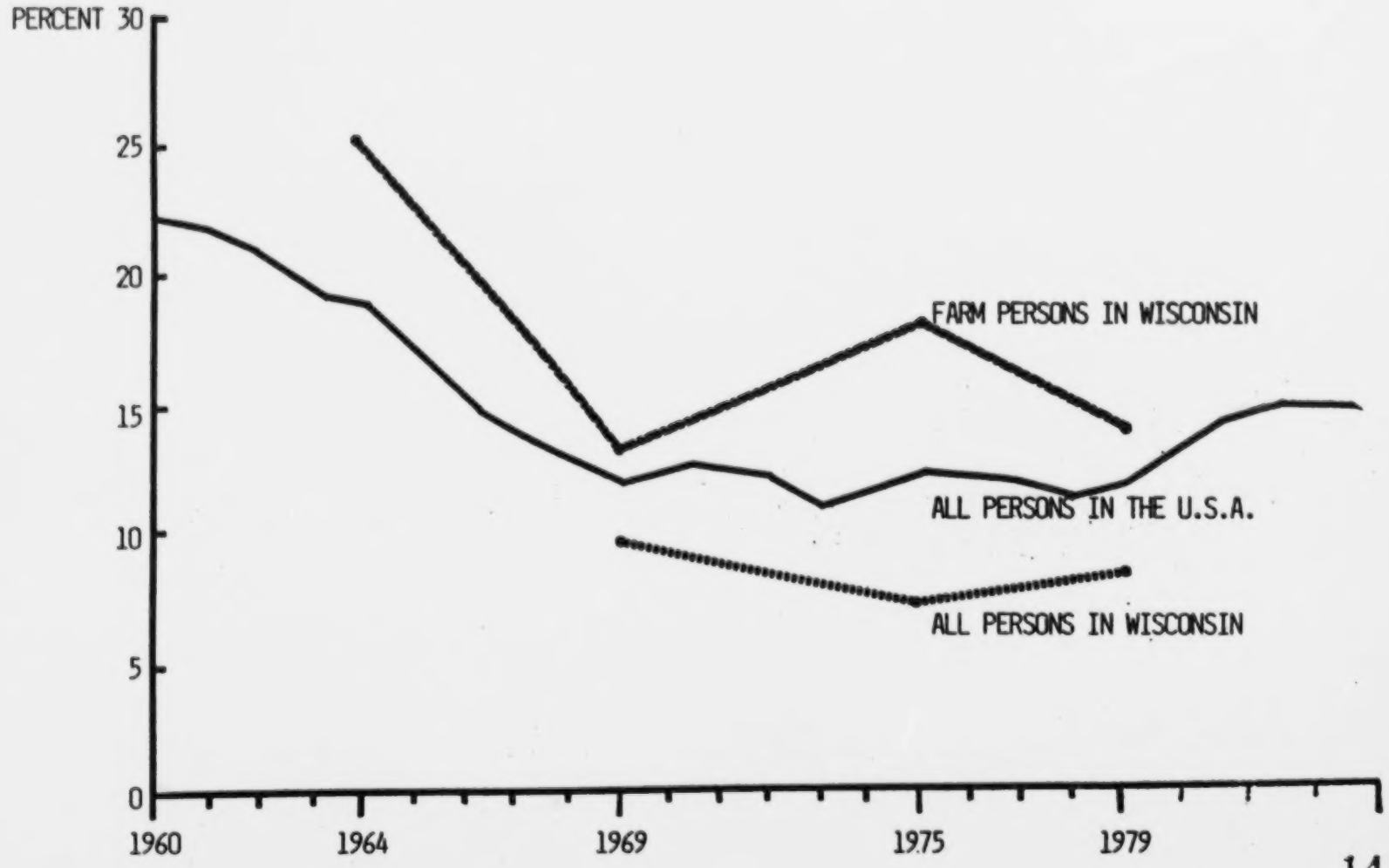
Detailed studies of the Wisconsin population, including the rural poor, can only be made from the Census of Population data (every 10 years) or with very expensive special surveys between the censuses. The most recent Census, that taken in 1980 to reflect conditions in 1979, is the basis for current knowledge about poverty in the state.

Current poverty levels with benchmarks from the past are reported in Figure 2. The heavy continuous line in the middle of the graph shows the percentage of all persons in the country who were in poverty, for each year from 1960 to 1983. This information was obtained from a large national survey each year and reliably shows year to year changes and trends. As shown in the figure, persons in poverty became a smaller percentage of the total population until about 1969, declining from 22 percent in 1960. A leveling of the trend occurred in the decade of the seventies, at about 11 percent, and the increase from 1978 to 1982 reflect the general economic problems of unemployment and inflation (8,9,10,11).

We do not have year-to-year estimates for changes in poverty in Wisconsin, so we have to rely on the national data for major trends. We do have reliable estimates for Wisconsin for certain years, however, and some of these data are also shown in Figure 2.

The lower dotted line in the figure connects the estimates in 1969, 1975 and 1979 for all persons (rural and urban) in poverty in Wisconsin, but

Figure 2: Percentage of Persons Below Poverty Level Income--1983



does not show the level for the years between. The estimates do show that the percentage of all persons in poverty in Wisconsin was below the percentage in the nation as a whole in 1969, 1975, and in 1979.

The uppermost dashed line in Figure 2 connects the estimates of the percentage of all Wisconsin farm people in poverty in 1964, 1969, 1975 and 1979. The estimates for 1969 and 1975 and 1979 are based on census data and are reliable for those years. The analysis of the data available for 1964 yields less precise estimates but the estimate is reasonable when compared with national reports of farm poverty in that era. The dashed line connecting the years thus does not show the year-by-year change but only a general path (12,13).

In spite of the data limitations, the following points emerge: (a) the percentage of farm poor in Wisconsin is higher than the percentage of all poor in the state, (b) the percentage of Wisconsin farm families in poverty is higher than the national poverty percentage, and (c) while the percentage of farm poor is lower than in 1964, it apparently fluctuated during the late 1970's, and has not gone away. Poverty among Wisconsin farm persons in considerably more prevalent than among the state population as a whole (see Table 2).

C. Location of the Rural Poor

The rural poor are dispersed in substantial numbers in all areas of Wisconsin. Rural poverty is not simply a problem in the northern part of the state. The incidence of poverty and the number of rural poor in all areas make it an issue of importance throughout the state.

The percentage of farm persons and number of farm persons (not of farm families) with income below the poverty level are shown by counties in Figure 3, and for rural nonfarm persons in Figure 4. Shaded counties are at or above the state mean in incidence (percentage) in poverty.

Percentages are lowest in the southeast third of the state and generally in counties with (or near) major urban centers. In terms of the importance of rural poverty in a particular county, it is important to note that the number of rural persons in poverty can be large even though the percentage that is poor is small by comparisons within the state. For example, in Dane county only 8 percent of the farm persons were in poverty, but because it is a heavily populated farming county that small percentage involved 882 persons (see figure 3). That is more persons in poverty than several counties combined in northern Wisconsin, where the incidence (percentage) is higher but the population much more sparse.

Now we turn to the characteristics of the rural poor in Wisconsin.

IV. CHARACTERISTICS OF THE RURAL POOR

A. The Distribution of Poverty by Age

The incidence of poverty among farm persons is higher than that of urban or rural nonfarm residents in Wisconsin. In 1980, the rates of poverty were 13.9 percent for farm, 8 percent for rural nonfarm, and 8.5 percent for urban residents. Though the farm poverty rate is higher overall, the poverty rate of the three groups varies considerably by age, as shown in Figure 5.

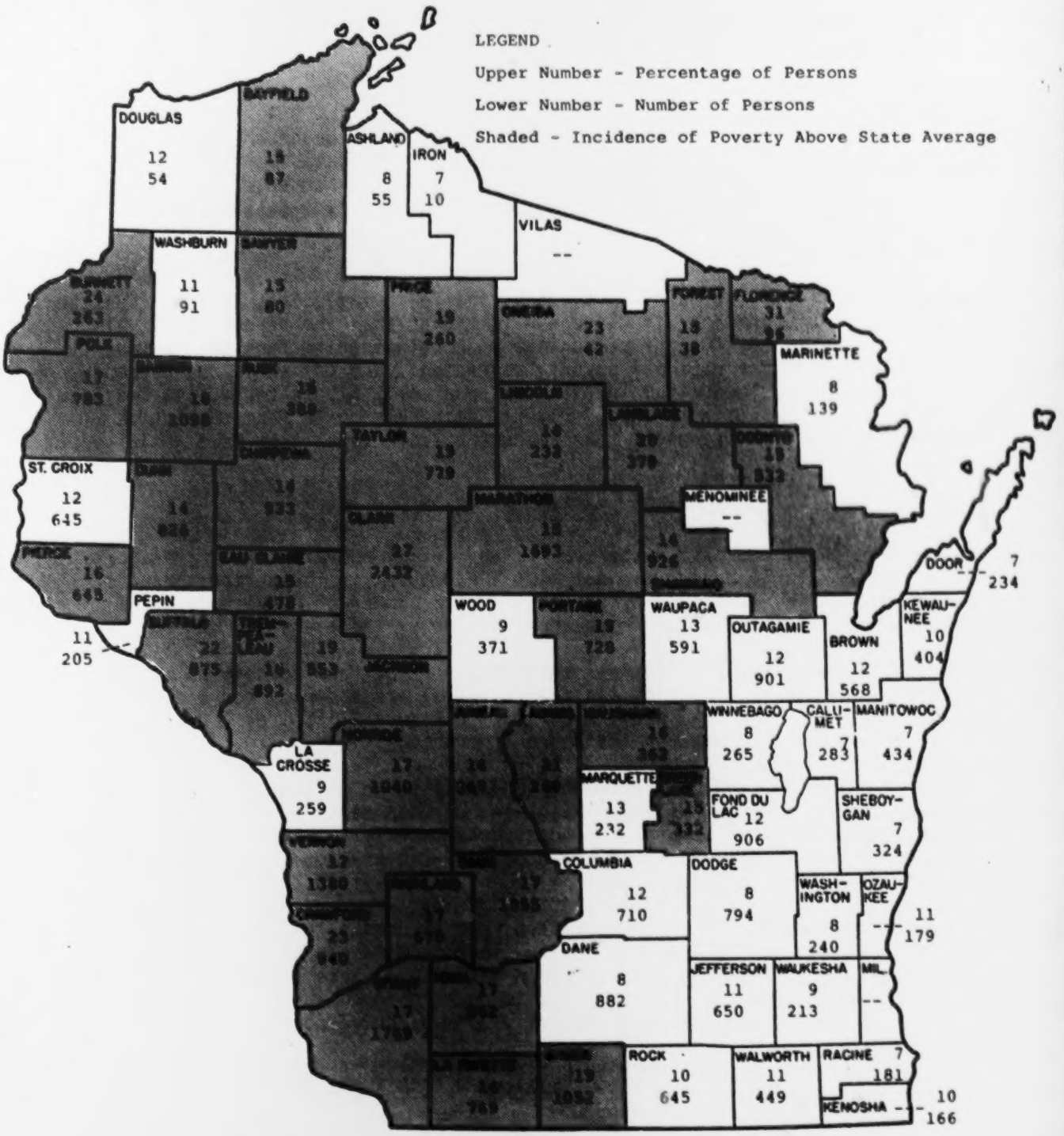


Figure 3: Estimated Percentage and Number of Farm Persons With Income Less than Poverty Level--1979

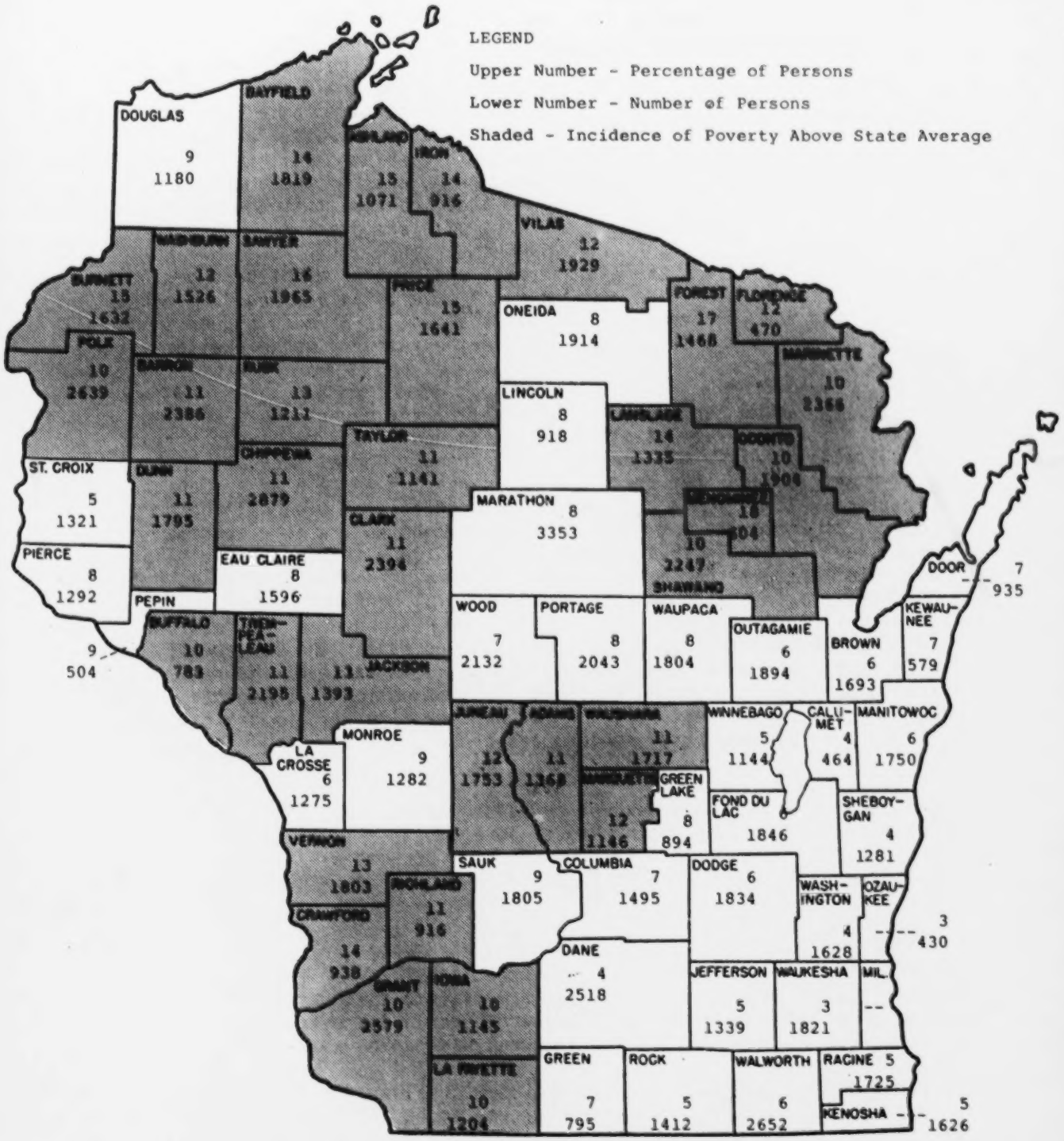


Figure 4: Estimated Percentage and Number of Rural Nonfarm Persons with Income Less Than Poverty Level--1979

Note how the rate of poverty for farm residents varies by age in the figure. The rate of poverty for farm children up to age 17 is alarmingly high, with nearly one out of five farm children being poor. The farm poverty rate is lower for young adults age 18 to 21 but rises sharply to 15.3 percent for adults aged 22-39 years. Reasons are unclear, but this latter group would include young, beginning farmers who have not firmly established their farm business. As recent farm entrants, they may have large debt-servicing costs relative to their earnings and thus low net farm income. The high poverty rates for this group and for the youngest children (those up to 17 years of age) may be related, because this age bracket would include the parenting years when such children are present.

During the middle years (40-59 years old), which might be expected to be years of the highest farm earnings, the poverty rate among farm persons is lower than for younger farmers. Nonetheless, it is much higher than other rural people and is more than twice the rate for urban dwellers of the same age.

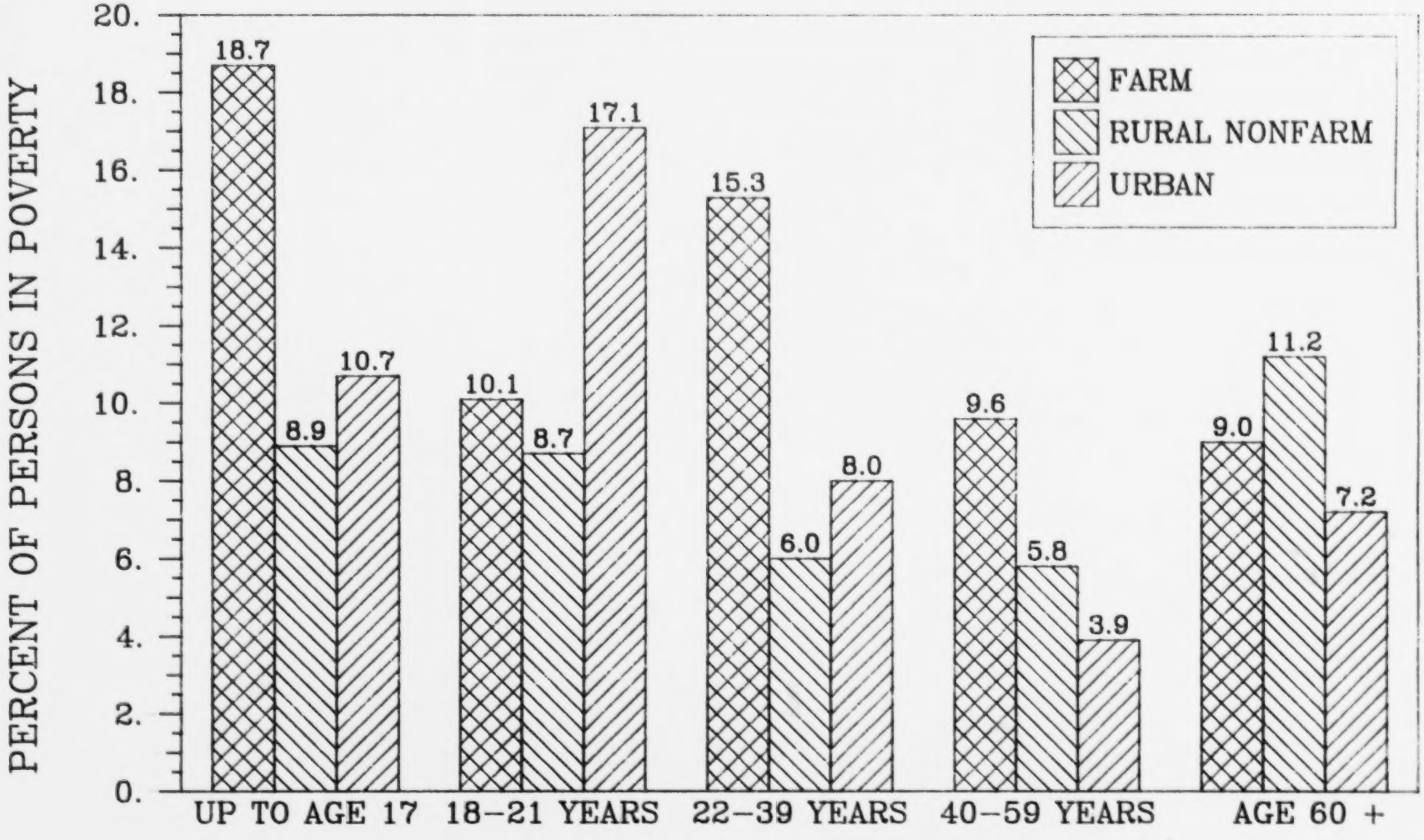
Finally, among farmers age 60 and older, the poverty rate declines to 9 percent, the lowest rate of all farm age groups. This may suggest that retired farmers living off their asset earnings, Social Security, etc. have improved well being. But there are other reasons -- related to Census definitions -- that would not necessarily reflect improved well-being however. It is common for Wisconsin farmers who retire to either move to town or rent (or sell) their farmland but continue to live in their farm house. But because they are no longer farming, their farm house is defined as a "rural residence," and they become "rural nonfarm" residents. Also, a surviving farm widow continuing her place of residence in the farm house would also be considered a "rural nonfarm" resident. The low poverty rate for farm persons age 60 and older may be due to a shift of the retired farmers into the rural nonfarm category. This notion is supported by the poverty rate of 11.2 percent for rural nonfarm elderly, a substantial increase over younger rural nonfarm age groups.

If we compare farm and urban poverty rates, we find the farm rate higher for all age groups, except for young adults age 18-21 years. For those young adults, the urban rate of poverty jumps to 17 percent. Of this group of urban poor, almost two out of three persons are female. Many are female heads of household with children, a group for which the incidence of poverty is high.

The rural nonfarm poverty rates show the least variation through the age continuum. As discussed above, there is a rise for the elderly, which may reflect the movement of retired farmers into this category. The high incidence of poverty among rural nonfarm elderly indicates that elderly poverty is a significant problem in rural Wisconsin.

In summary, the data in Figure 5 show considerable variation in the incidence of poverty by age. Three groups among the rural population which are most afflicted with poverty are a) farm children age 17 and younger, b) younger farmers age 22-39, and c) older nonfarm rural residents. Among Wisconsin's urban residents, the high incidence among the 18 to 21 year olds may indicate the most difficult problem area.

Figure 5: Incidence of Poverty by Age and Place of Residence, Wis.--1979



B. Children, Family Type and Poverty

Concerns about children in poverty may be based on the value that those humans who are weak and unable to fend for themselves should be protected by society, or they may be based on a financial concern that the children now in poverty will be a major social cost as adults in poverty in the future. For both reasons, there is concern and interest that the investment in the human resources of children in terms of nutrition, health, education, training, and social attitudes will increase the probability that children now in poverty will some day be productive adults.

It was shown in Figure 5 that the incident of poverty among farm children was particularly high, with 18.7 percent of all farm children in Wisconsin living in poverty in 1979. About 9 percent of the rural nonfarm children and 11 percent of urban children were in poverty at that time. This is explored further in Table 3 with census data on three family types.

The family types include a) families with a male householder (head of household) with or without a wife present, b) families with female householders with no husband present, and c) unrelated individuals. In the first two types of families, the presence of children is also identified. In all cases, the distribution of families among those in poverty, those near but above poverty, and all others is examined. Looking at family units is important because public policies and programs against poverty will work differently in different family circumstances. Prevention or cure will be influenced by the presence of one or more adults who can work or share home responsibilities, compared with isolated individuals.

Four major points emerge from Table 3. First of all, regarding families with a male householder, there is a relatively low incidence of families in poverty or near poverty among the urban and rural nonfarm families. In addition the presence of children in such families has little impact on the incidence of poverty. This is in contrast to the farm families with male householders in which about 16 percent are either in poverty or near poverty (8.7 percent + 2.9 percent + 3.0 percent + 1.3 percent = 15.9 percent). With farm children present, the incidence of poverty is higher than without children.

Second, urban female householders with no husband present total 105,778, and make up about one-seventh of all urban families. There are 25,578 rural nonfarm female householders, who represent about one-twelfth of all rural nonfarm families. There are only 1,957 farm families in Wisconsin with a female head of household. Even though more than 20 percent of those farm families are in poverty or near poverty, and as individuals they face difficult financial circumstances, their small absolute numbers suggest that programs specific only to them (as female heads of households) are likely to be a relatively small issue on any public policy agenda.

This is a contrast to the relatively large in number of female householders in rural nonfarm families and urban families in Wisconsin. Among such families, the presence of children is related to a high incidence of being in poverty, 24.2 percent of the urban families and 21.4 percent of the rural nonfarm families. Relatively few female householders in rural nonfarm families or urban families are in or near poverty unless children are present. This subgroup of the poor is particularly noteworthy because of the great difficulty single parents face (either male or female) in

Table 3. Distribution of Wisconsin families by family type, poverty, and place of residence, 1979.

	Farm	Rural Nonfarm	Urban
Families with male householder[a] (number)	69,696	350,180	661,834
Families in poverty:			
With related children	8.7%	2.9%	1.7%
Without related children	2.9	2.1	1.0
Families near poverty[b]:			
With related children	3.0	1.7	.9
Without related children	1.3	1.7	.8
All other families:			
With related children	45.9	51.2	48.4
Without related children	38.2	40.4	47.2
	100%	100%	100%
Families with female householder, no husband present (number)	1,957	25,578	105,778
Families in poverty:			
With related children	9.9%	21.4%	24.2%
Without related children	5.2	2.6	1.3
Families near poverty:			
With related children	2.9	6.6	6.3
Without related children	3.3	1.5	.9
All other families:			
With related children	26.8	35.3	37.5
Without related children	51.9	32.6	29.8
	100%	100%	100%
Unrelated individuals (number)	9,531	116,705	447,147
In poverty	27.1%	23.9%	21.3%
Near poverty	8.0	13.2	10.1
All others	64.9	62.9	68.6
	100%	100%	100%

a Families with "male householder" may or may not have a wife present.
b Families "near poverty" had income between 100 and 124 percent of the poverty threshold.

Source: Data from Table PB112, 1980 Census of Population.(4)

providing childcare and maintaining a home in addition to providing financial support through work outside of the household.

Finally, in Table 3 it is reported that unrelated individuals, regardless of place of residence, suffer a high incidence of poverty, with about one third of all persons being in or near poverty in all three locations. Poverty thresholds for unrelated individuals in 1979 were a little less than $3,500 for persons aged 65 and older and a little less than $3,800 for persons under 65, which suggests the absolute level of disadvantaged circumstances of these persons.

C. Employment Status and Poverty

Employment is an important determinant of family income and it might at first seem that persons who are working should not be in poverty. This is not necessarily the case, however, as part-time or full-time employment at a relatively low wage may provide an annual income below the poverty threshold. In addition, self-employed persons, such as farmers, may be fully employed the year around but may experience low income or even business losses and fail to generate an adequate level of family income.

The 1980 Census provides data on the employment status of the person considered to be the "head of the household" in families. In the Census data, such a householder who worked forty weeks or more per year and who usually worked 35 or more hours per week, was considered to have worked "full-time". Less work effort than that was considered to have been "part-time" work. Additional householders were identified who did not work at all in 1979. It should be noted that for farm householders the employment might have been either on or off the farm or some combination of the two.

A summary of employment status by place of residence of the householder in Wisconsin families is presented in Table 4. While "urban" and "rural nonfarm" both define only a place of residence, the "farm" category carries an additional implication of occupation as well as place of residence. This is because, by definition, for a rural place to be called a "farm", some person or persons must have produced $1,000 or more in agricultural products. This aspect of the definition is probably reflected in Table 4 in the relatively large percentage of householders in farm families who are employed full-time at all degrees of poverty status, relative to urban and rural nonfarm families.

Among families in poverty, for example, 78 percent of the householders in the farm families worked full-time, while 29 percent and 17.6 percent of the householders in rural nonfarm and urban families were so employed.

Among urban and rural nonfarm families in poverty or who were near poverty (had income between 100-124 percent of the poverty threshold), more than 40 percent of the householders did not work. This is in contrast to about 10 percent of the householders in farm families.

This difference has implications for public policies aimed at assisting the poor which should be examined. First, unemployment compensation based on past participation in covered wage work would not help farm operators (or other self-employed persons) whose past employment history does not include wage work. Other public assistance programs for single parent families or

Table 4. Employment of householder by poverty status and place of residence, Wisconsin families, 1979.

	Farm	Rural Nonfarm	Urban
Families in poverty (number)	8,401	23,586	45,153
Employment of householder:			
Full time	78.2%	29.0%	17.6%
Part time	10.8	29.8	33.5
Did not work	11.0	41.2	48.9
	100%	100%	100%
Families near poverty[a] (number)	3,107	14,063	18,920
Employment of householder:			
Full time	78.0%	33.2%	27.5%
Part time	12.4	24.7	36.2
Did not work	9.6	42.1	36.3
	100%	100%	100%
All other families (number)	60,145	338,109	703,539
Employment of householder:			
Full time	80.8%	70.0%	72.3%
Part time	12.1	14.4	12.3
Did not work	7.1	15.6	15.4
	100%	100%	100%

a Families "near poverty" had income in 1979 between 100 and 124 percent of the poverty threshold

Source: Data from Table PB110, 1980 Census of Population (4).

families in which the parent or parents are currently employed would not reach the householders on low income farms because of their full-time (or part-time) employment as a farm operator, even though their employment resulted in an unacceptable level of family income.

Related to the employment issue, but not indicated by the tables, is that in three of every five urban families in poverty, the householder was a female with no husband present. Employment is more difficult when only one parent is present and this is reflected in 56 percent of such female householders not working in 1979. This is a smaller issue among farm families, as a very small percentage of farm households (2.7 percent) have a female householder without a husband present . Among them about 40 percent did not work either on or off of the farm in 1979. Among female householders with no husband present, living in rural nonfarm areas, a little less than half of those who were in poverty did not work at all.

D. Social Security Benefits and Poverty

Persons who are employed in wage work or self-employed person generally receive Social Security benefits after retirement or upon suffering certain

kinds of disability. Benefits are a transfer over time from an individual's employed years to a later time of reduced income. Social Security benefits totalled $2.342 billion in Wisconsin in 1979, by far the largest single transfer program. It accounted for 42 percent of all transfer dollars that year. Census data regarding Social Security benefits and poverty are reported in Table 5.

Of particular interest in Table 5 are persons whose Social Security benefits put them above poverty levels. In other words, if their total income had been lowered by an amount equal to their Social Security benefits, they would have been in poverty. This included 13.5 percent of farm householders, 32.4 percent of the rural nonfarm householders, and 24.2 percent of the urban householders. A larger share of farm householders (about one third) did not receive Social Security benefits at all. Farmers decide for themselves when to retire, so reaching age 65 does not have the significance as for a wage earner subject to employer retirement rules. Generally, it is difficult, if not impossible, for a farmer to continue to farm and to receive Social Security benefits. It would appear that a larger share of householders on farms are not yet retired.

Note again that "farm" denotes both an occupation and a place of residence; a retired farmer who receives farm rent (instead of farm income) might live in the same rural dwelling as before but by definition would no longer live on a "farm". Many retired farmers who receive benefits show up (by definition) as rural nonfarm residents.

Social Security was not designed as an income maintenance or welfare program. Earners in almost all occupations and at all income levels contribute to it during their earning years and later receive retirement or other benefits. Thus it is not surprising to find many households (42 to 49 percent of all householders) who received Social Security benefits would still have had above poverty incomes without that source of income.

E. Poverty and Public Assistance

In contrast to Social Security -- a social insurance program that requires an earner to transfer money from employment years to later retirement years -- public assistance programs involve grants to persons who are deemed needy. They are transfers from the public (taxpayers) to disadvantaged persons who meet the program criteria.

The Census provides aggregated data on benefits received under three major programs: Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and general assistance. The AFDC program was initiated in 1935 to provide financial help to needy children deprived of support because of the death, incapacity or absence of a parent. The program was designed primarily to aid families headed by women. In Wisconsin families may be eligible due to the father's unemployment. The Federal and State governments share the costs of the program. It totalled $288 million in Wisconsin in 1979, the largest income maintenance program after medical assistance.

Supplemental Security Income totalled $155 million that year in Wisconsin. It pays a nationally uniform minimum cash income to needy aged, blind or disabled people. The Federal government's share of SSI is funded by appropriations, but in Wisconsin the program is supplemented with state

Table 5. Relationship between poverty status and receipt of Social Security benefits for householders and unrelated individuals age 60 and older, Wisconsin, 1979.

	Rural		
	Farm	Nonfarm	Urban
Householders age 60 and older (number)	17,543	90,550	172,630
Received Social Security benefits:			
Were in poverty	4.8%	5.6%	2.0%
Were above poverty because of Social Security	13.5	32.4	24.2
Were above poverty without Social Security	47.1	42.2	49.1
Did not receive Social Security benefits:			
Were in poverty	2.7	1.3	.8
Were above poverty	31.9	18.5	23.9
	100%	100%	100%
Unrelated individuals age 60 and older (number)	3,802	55,231	146,147
Received Social Security benefits:			
Were in poverty	14.6%	23.2%	12.9%
Were above poverty because of Social Security	26.5	42.4	44.7
Were above poverty without Social Security	33.7	20.0	25.7
Did not receive Social Security benefits:			
Were in poverty	6.8	4.7	4.0
Were above poverty	18.4	9.9	12.7
	100%	100%	100%

Source: Data from tables PB106 and PB107, 1980 Census of Population (4).

funds. General assistance is paid by state or local governments to poor families or individuals who do not qualify for other programs. Only state and local funds are in this program, totalling $6 million in 1979. Taken together AFDC, SSI and general assistance totaled to eight percent of all transfers in the state in 1979. Their audience, however, is persons who are

economically disadvantaged, and while their eligibility criteria may not correspond exactly with the poverty thresholds, it might be expected that these programs would mainly assist the poor. The census data reported in Table 6 give some support to these expectations.

Self-employed persons such as farmers generally have difficulty meeting the unemployment criterion of AFDC and the retirement or disability criteria of SSI. This is reflected in the fact that 96 percent of the farm families and unrelated individuals on farms received no transfers. About 11 percent of the farm families were in poverty and did not receive any transfer, as well as 25 percent of the unrelated individuals on farms. It should be noted, however, that persons on farms are eligible for and do receive Food Stamps, an important transfer program not reported in the Census data.

Target efficiency is a means of describing how well a program's benefits reach the group or target for whom they are intended. The Census data are somewhat limited in this regard because the participation in three programs is lumped together, the data do not suggest the amount received (only that some benefits were received), and because the welfare program participation criteria may differ from Federal poverty criteria. Some contrasts do emerge by examination of the data in Table 6, however.

Families in poverty who received some benefits, but not enough to raise them above poverty, ranged from .5 to 2.6 percent across the three places of residence groups. These were part of the target group who were reached, as well as those who received benefits and as a result were above poverty (from .4 to 1.3 percent across the groups). However, considerably larger proportions of families received benefits but would have been above poverty had they not received benefits (2.8 to 4.2 percent across the groups). For that group, target efficiency might be an issue, i.e. assisting families who were not targets, assuming that poverty threshold income was the target. A more precise evaluation would use the guidelines of each of the programs (e.g. AFDC, SSI, etc.) as the target in looking at target efficiency, as they may differ from federal poverty definitions.

Target efficiency may also be an issue for missing relevant families, e.g., the families that were in poverty and did not receive any benefits. These ranged from 11.2 percent of the farm families to 3.3 percent of the urban families. There were even larger proportions missed among the unrelated individuals. Reasons why farm persons would be missed (i.e., eligibility criteria) have been noted earlier.

V. SUMMARY AND REFERENCES

A. Summary of Description

The Census Tables illustrate many perspectives which can be used to describe rural poverty. This section recapitulates only the starkest findings concerning poverty using the following perspectives: numbers of poor, changes in numbers over time, geographical location, age, family structure, employment, Social Security receipts and public assistance.

Number: As measured in 1980, six percent of urban and rural (nonfarm) families had incomes at or below the poverty level; 12 percent of farm families or 14 percent of farm persons lived below the poverty level.

Table 6. Relationship between poverty status and receipt of AFDC, SSI or general assistance benefits by families and unrelated individuals, Wisconsin, 1979.

	Farm	Rural Nonfarm	Urban
Families (number)	71,653	375,758	767,612
Received AFDC, SSI, or general assistance:			
Were in poverty	.5%	1.3%	2.6%
Were above poverty because of public assistance benefits	.4	1.2	1.3
Were above poverty without public assistance benefits	2.8	3.9	4.2
Did not receive AFDC, SSI, or general assistance:			
Were in poverty	11.2	5.0	3.3
Were above poverty	85.1	88.6	88.6
	100%	100%	100%
Unrelated Individuals (number)	9,531	116,705	447,147
Received AFDC, SSI, or general assistance:			
Were in poverty	1.9%	2.5%	1.6%
Were above poverty because of public assistance benefits	1.2	4.2	2.4
Were above poverty without public assistance benefits	.8	1.5	1.3
Did not receive AFDC, SSI, or general assistance:			
Were in poverty	25.3	21.4	19.7
Were above poverty	70.8	70.4	75.0
	100%	100%	100%

Source: Data from tables PB108 and PB109, 1980 Census of Population (4).

Over time: While the percentages of rural and farm poverty families have changes during the last two decades, the percent of farm families below poverty levels in Wisconsin was always above both the U.S. and Wisconsin averages for all families. Although the percent of poor among farm families has declined, it has generally fluctuated around 15 percent.

Location: Farm and rural poverty are widespread in Wisconsin. Rural and farm poverty rates above state-wide averages occur only north and west of a line from Rock to Brown Counties. But rural and farm poverty is still a statewide problem. While poverty incidence rates are lower for the southeast counties, these counties have high populations. So the absolute number of poor families is large even in counties with the lowest percent of poverty.

Age: Poverty ratios by age and residence fluctuate greatly, with little pattern between areas (farm, rural and urban). Farm poverty is greatest for children and least for persons over 60 (if retired, they are no longer included in this farm population). Rural poverty is highest for the over 60 group, perhaps because of the inclusion of low income, retired farm persons. Urban poverty peaks during the early adult (18-21) age bracket, declines during middle years, then increases over 60 years of age.

Family Structure: Three family types are described: Male-headed families, female single parent families and unrelated individuals; by farm, rural and urban households. Three characteristics are evident: families without children experience much less poverty; rural and urban female headed families with children have very large incidence of poverty (there are only a few female headed farm households), and last, unrelated individuals have very large incidence of poverty in all three geographical areas.

Employment: Not surprisingly 90 percent of farm householders at or near the poverty level worked, while only about 60 percent of rural and urban poverty families had any employment. Full-time farming does not guarantee an adequate income.

Social Security: The conclusions of an examination of the relationship of Social Security to poverty by geographic sectors for householders age 60 or older are: (1) very few poor farm householders (18 percent) received Social Security, while 79 percent were above poverty with or without Social Security, (2) between 24 and 32 percent of rural and urban households were helped out of poverty by Social Security. An additional 3 to 7 percent were still in poverty with or without Social Security.

For unrelated farm individuals 60 years of age or above, about 75 percent received Social Security. For rural nonfarm and urban Social Security recipients a very large percentage were helped out of poverty by Social Security (42 and 45 percent, respectively).

Public Assistance: The striking conclusion of the relationship of public assistance to poverty level is that few poor farm families received assistance; likewise a very small percent of poverty level unrelated individuals were recipients of public assistance. In rural and urban areas much higher percentages of poor families and unrelated individuals received some form of public assistance.

B. Prior Reports and Sources of Data

The first three of the following citations are prior published reports on rural poverty in Wisconsin. They are followed by data sources used in this report.

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William Saupe is a Professor, Department of Agricultural Economics, University of Wisconsin–Madison and University of Wisconsin–Extension. John Belknap is a Project Associate, Department of Agricultural Economics, University of Wisconsin–Madison. *Preparation of this report was supported by the University of Wisconsin–Extension and by Project No. N782, Research Division, College of Agricultural and Life Sciences, University of Wisconsin–Madison in cooperation with the Economic Development Division, Economic Research Service, U.S. Department of Agriculture. The assistance of William R. Garland and Deborah Streeter in preparing an earlier edition is acknowledged with thanks, as is help from John Gruidl, and Stephen Tordella, Demographic Specialist, Applied Population Laboratory, University of Wisconsin–Madison.*

R3331 **RURAL POVERTY IN WISCONSIN**

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